

Washington State Auditor's Office
Accountability Audit Report

City of Aberdeen
Grays Harbor County

Audit Period
January 1, 2002 through December 31, 2002

Report No. 65647

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Washington
State Auditor
Brian Sonntag

Audit Summary

**City of Aberdeen
Grays Harbor County
January 1, 2002 through December 31, 2002**

ABOUT THE AUDIT

This report contains the results of our independent accountability audit of the City of Aberdeen for the period January 1, 2002, through December 31, 2002.

We performed audit procedures to determine whether the City complied with state laws and regulations and its own policies and procedures. We also evaluated the internal controls established by City management. Our work focused on specific areas that have potential for abuse and misuse of public resources.

RESULTS

The City complied with state laws and regulations and its own policies and procedures in the areas we examined. Internal controls were adequate to safeguard public assets. We noted certain issues that we communicated to management.

RELATED REPORTS

Our opinion of the City's financial statements and compliance with federal program requirements is provided in a separate report, which includes the City's financial statements.

CLOSING REMARKS

We thank City officials and personnel for their assistance and cooperation during the audit.

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Grays Harbor County
January 1, 2002 through December 31, 2002**

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Description of the City

City of Aberdeen Grays Harbor County January 1, 2002 through December 31, 2002

ABOUT THE CITY

The City of Aberdeen serves 16,400 citizens in Grays Harbor County. A mayor-council form of government administers the City. There are 12 elected Council Members and an independently elected Mayor.

The City operates on an annual general fund operating budget of \$11.8 million. Its employees provide a full range of services including public safety, fire protection, Municipal Court, utilities, streets, parks and recreation, planning and zoning, and general administrative services. The City is also one of three entities participating in the Grays Harbor County Drug Task Force.

AUDIT HISTORY

We audit the City annually. The past six audits have noted some areas of concern. However, the current audit is free of findings.

The 1998 audit contained two findings, one identifying weaknesses in internal controls over fixed assets and the second addressing noncompliance with federal subrecipient monitoring requirements for a federal Community Development Block Grant received by the City.

The 2001 audit identified three conditions significant enough to report as findings, one identifying noncompliance with state bid laws, the second identifying noncompliance with auditing officer certification laws and the third, once again, addressing noncompliance with the federal subrecipient monitoring requirements for a federal Community Development Block Grant.

ELECTED OFFICIALS

These officials served during the audit period:

Mayor	Mike Wilson
Council Members:	
Ward 1	Bob Shortt
	Tim Shute
Ward 2	Alice Phelps
	Doug Paling
Ward 3	Jo-Ann Andrews
	Tom Laufman
Ward 4	Tobi Buckman
	Dorothy Voegel
Ward 5	Bob McCullough
	Bill Simpson
Ward 6	Troy Adams
	Jerry Mills

APPOINTED OFFICIALS

Finance Director
City Attorney
Chief of Police
Fire Chief
Public Works Director
Parks and Recreation Director
Planning and Economic Development

Personnel Services Manager
Municipal Court Judge

Fred Thurman
Eric Nelson
Bob Maxfield
Dave Carlberg
Larry Bledsoe
Wes Peterson
Brian Shea (January – August 2002)
Bob Waite (October – November 2002)
Marsha Olsen
Paul Conroy

ADDRESS

City

200 East Market Street
Aberdeen, WA 98520
(360) 533-4100

Audit Areas Examined

City of Aberdeen Grays Harbor County January 1, 2002 through December 31, 2002

In keeping with general auditing practices, we do not examine every portion of the City of Aberdeen's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the City were examined during this audit period:

ACCOUNTABILITY FOR PUBLIC RESOURCES

We evaluated the City's accountability in the following areas:

- Cash receipting and revenues (planning and building, police, utilities)
- Petty cash, change and revolving accounts
- Payroll
- Purchase of goods and services

LEGAL COMPLIANCE

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Use of restricted funds
- Competitive bid law compliance
- Budgeting requirements
- General insurance coverage
- Ethics/conflict of interest laws
- Open Public Meetings Act

FEDERAL PROGRAMS

We evaluated internal controls and tested compliance with federal program requirements, as applicable, for the City's major federal programs, which are listed in the Federal Summary section of the financial statement and single audit report.

FINANCIAL

Our opinion on the City's financial statements is provided in a separate report. That report includes the City's financial statements and other required financial information. We examined the financial activity and balances of the City including:

- Cash and investments
- Long-term debt
- Revenues
- Overall presentation of the financial statements
- Expenditures
- Journal entries
- Assets
- Fund balance
- Liabilities
- Subsequent events